issue proceeds where the amount exceeds Rs. 500 crores and appointment of a financial institution to monitor such usage, adequate disclosure of the protect risks and justification of any premimum being collected.

Tax on financial transactions across International Borders

1127. SHRI K. R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nobel Economic Tobin had suggested a 0.5 per cent tax on all financial transactions across the international bordars to yield $ 1500 billion a year, for the development of developing countries?

(b) whether the social development conference held at Copenhagen was to discuss the matter;

(c) how and why the mattere was dropped out of agenda; and

(d) what steps Government have taken/proposed to take to put this proposal on the World agenda?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) James, Tobin, Nobel laureate, had proposed in 1978 a tax on speculative international currency transactions. This was intended to give greater stability to international financial markets with a view to enabling the developed countries to undertake domestic fiscal and monetary policies with a greater degree of flexibility.

(b) The World Summit on Social Development which recently concluded in Copenhagen did. *inter-alia* discuss innovative mechanism for generating new and additional resources for financing social development. No specific proposals such as the Tobin Tax proposal were on the agenda of the Conference.

(c) The question does not arise.

(d) The Tobin tax was proposed in the context of the economic policy making in the developed countries after the gold standard was abondoned and the developed countries moved from a fixed currency exchange regime to a regime of floating exchange rates. The implications of such a tax for developing countries such as India, have not been assessed or established in any conclusive manner.

Shortage of one, two and five rupee notes

1128. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that there is an acute shortage of one rupee, two rupee and the rupee, notes;

(b) whether Government are also aware that two rupee and five rupee coins are not popular; and

(c) if so, the steps Government propose to take to increase the supply of one rupeee, two rupee and five rupee notes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) While the average life of rupee one note is six months, that of rupees two and five is about one year. As against this, the life span of coins is about 15—20 years. In view of the final cost consideration, a decision has been taken to coinise these denominations in a phased manner so as to utilise the capacity so released for printing of higher denomination notes. Production of fresh notes of rupee one, rupees two